Workers' Compensation Board Northwest Territories and Nunavut

Annual Report 2005

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Mission Statement

Safe workplaces achieved through strong partnerships with employers and workers while providing fair and sustainable benefits.

Vision

Safe work practices and fair benefits.

Values

The Workers' Compensation Board of the Northwest Territories and Nunavut is committed to the following values:

We treat others honestly, fairly and respectfully.
We are sensitive and responsive to our clients' needs.
We work safely.
We do what we say.

Governance Council

Chairperson
Denny Rodgers (Inuvik)
October 13, 2005 – October 12, 2007

Labour Representatives
Shona Barkley (Iqaluit)
May 31, 2004 – May 30, 2006

Steve Petersen (Yellowknife)
May 1, 2003 – April 30, 2006

Public Interest Representatives
George Kuksuk (Arviat)
May 31, 2004 – May 30, 2007

Employer Representatives
Bill Aho (Yellowknife)
May 1, 2004 – April 30, 2006

Karin McDonald (Inuvik)
October 15, 2004 – October 14, 2007

The Governance Council operates in a manner consistent with the *Workers' Compensation Acts* and corporate governance directives. Although directors are representative of the interests of workers, employers and general public, it is expected that they will maintain the credibility and vitality of the WCB as a corporation.

The Governance Council is responsible for considering all pertinent information and making decisions in the best interests of the Workers' Compensation Board of the Northwest Territories and Nunavut.

The Governance Council is the legal authority for the WCB. As a Director of the Council, the Director acts in a position of trust for stakeholders and is responsible for the effective governance of the organization.

Governance Council Mandate Committees

Finance and Investment Committee
Policy Committee
Oversight Committee

Letter of Transmittal

April 14, 2006

The Honourable Tony Whitford
Commissioner of the Northwest Territories

The Honourable Ann M. Hanson
Commissioner of Nunavut

The Honourable Charles Dent
Northwest Territories Minister Responsible for the Workers' Compensation Board

The Honourable Patterk Netser
Nunavut Minister Responsible for the Workers' Compensation Board

In accordance with Subsection 61(2) of the NWT and Nunavut *Workers' Compensation Acts*, it is my pleasure to present the Annual Report of the Workers' Compensation Board for the year ending December 31, 2005, which includes audited financial statements.

Accompanying the financial statements is an actuarial opinion as to the reasonableness of the future pension and future claims liabilities and the adequacy of the contingency reserve.

The Annual Report 2005 follows last year's standard. This report fulfills our responsibility for financial reporting and provides information about our key results from 2005.

Northern employers and workers are well served by the WCB. I commend the work of the Governance Council, staff, and management of the WCB.

Yours truly,

Denny Rodgers, Chairperson
Workers' Compensation Board of the
Northwest Territories and Nunavut

From the Office of the President

The Workers' Compensation Board of the Northwest Territories and Nunavut (WCB) provides northern employers and workers with information about occupational health and safety, and no-fault compensation to workers injured as a result of their work.

In 2005, the funded position of the WCB was 128 per cent. During 2005, the WCB saw excellent returns in its investment markets, lowered its administration costs, and also had lower than expected costs from previous year's claims. As a result, the Governance Council will discuss options to reduce the average provisional assessment rate for coming years, while maintaining the stability of the Accident Fund by allowing for the volatility of the investment market.

We believe information facilitates responsible decision-making, promotes workplace improvements, increases workplace health and safety awareness, and supports safe workplaces. For this reason, the WCB is working hard to ensure that information is reaching stakeholders. In turn, the WCB also recognizes the importance of open communication channels that provide stakeholders with opportunities to offer valued feedback to the WCB.

Take the opportunity to check out our new website at www.wcb.nt.ca or www.wcbnunavut.ca. The increased user-friendly construction of our new site will not only help stakeholders get the information they need about workplace safety, but will also help them provide feedback by increasing the accessibility of WCB staff members.

Moving Forward

In 2005, the WCB paved the way for changes to the way it calculates assessment rates. The changes to the rate setting system, which became effective in 2006, allow rates to better reflect current trends in industry safety records. In addition, the WCB began outlining *Safe Advantage*, the merit-demerit program that encourages safer workplaces and will be introduced as part of the 2007 rate assessment program.

This past year, the WCB continued its forward momentum by fulfilling the first phase of legislative changes, which became effective January 2004, outlined in the *Act Now* (December 2001) report. The WCB submitted proposals to complete the second phase of legislative changes to both the Government of the Northwest Territories and the Government of Nunavut. The Nunavut Legislative Proposal was approved in October 2005. The Northwest Territories Legislative Proposal has not yet received Cabinet approval. Both governments are planning to introduce new *Workers' Compensation Acts* to their legislatures in 2006.

To continue to better serve WCB stakeholders, a Comprehensive Policy Review Plan was created. The plan ensures that all policies are reviewed at least once every three years. In addition to the policy review plan, three new major policies were introduced in 2005: Policy 10.04 – Investigating an Alleged Offence; Policy 02.07 – Mega Project Assessments; and Policy 00.07 – Consultation. More information on these, and other WCB policies can be found at www.wcb.nt.ca/AboutWCB/Policies.

Towards Excellence

In March 2005, the NWT Legislative Assembly requested the Auditor General of Canada conduct a performance audit of the WCB, with particular focus on customer service provided by WCB Claims Services. Following the audit request, the WCB hired an independent firm to deliver a survey to a random sample of employers and injured workers. The survey gave the WCB an idea of what services they were delivering effectively and what areas need further attention to deliver quality service to its stakeholders. Both the audit and the survey reports will be available later in 2006.

All stakeholders in the Northwest Territories and Nunavut can be assured of the continued commitment of WCB employees to exceed the legislated mandate of the WCB and meet stakeholder expectations of quality service.

For Safer Tomorrows

Safe workplaces can only be achieved through strong partnerships with employers and workers. WCB employees are developing *Go Safe*, a program that will extend the strong partnership between employers and workers to include the WCB. *Go Safe* will support safer workplaces by providing employers with a toolkit that not only contains safety tips relevant to their industry, but will also include resources that will help them set up their own safety strategies. Watch for *Go Safe* in your workplace in 2006.

The Annual Report is a valued tool to help our stakeholders better understand WCB business. We anticipate that the many changes we are undergoing internally will help us to better serve our stakeholders, and will also serve our own collective interest of moving forward toward excellence for safer tomorrows.

David Clark
President & CEO

2005 Statistical Data

Territorial Demographics

(Source: Statistics Canada)	NWT	Nunavut	Total
Population	42962	30113	73075
Labour Force	23600	Not Avail.	
Number employed	22655	11457	34112
Average weekly earnings	$962.11	$853.63	$925.49

Claimants:	2003	2004	2005
Number of claims reported	3349	3069	3321
Number of claims established	2914	2615	2817
Number of lost time compensated claims	969	817	950
Number of work related fatalities	5	5	10
Number of new pensions	117	125	118

Employers:			
Average number of active employers	3917	3942	3610
Total number of assessments	4216	4238	3798
Number of industry classes	8	8	8
Number of rate groups	29	29	29
Number of employers requesting additional optional coverage	745	734	574

Lost Time Injury Rate:			
The lost time injury frequency (LTI) is defined as the number of lost time compensated injuries per 100 workers.			
Lost time injury frequency	2.77	2.33	2.74

Financial Indicators:			
Maximum annual insurable earnings (YMIR)	$64,500	$66,500	$66,500
Average provisional undiscounted assessment rate per $100 assessable payroll	$2.27	$2.39	$2.06
Average provisional discounted assessment rate per $100 assessable payroll	$1.60 (30% Discount)	1.91 (20% Discount)	$1.87 (%10 Discount)
Actual average assessment rate per $100 assessable payroll	$1.45	$1.82	$1.96
Percentage funded (including reserves)	110%	116%	128%

2005 Key Results

Occupational Health and Safety

Workplace Safety: Safety and the Young Worker

Skills Canada Competition

The Worksite Safety Competition was held in Yellowknife in April 2005 as part of the 7th Annual Skills Canada NWT/NU Territorial Competition. Advancing to the National Skills Canada Competition were Peter Boggis of Yellowknife and Lana Shave of Iqaluit.

As in past years this event involves three parts: a written examination, an oral presentation before safety professionals, and inspection and hazard identification of a mock workplace.

The students trained for the event using the WCB's *Workplace Safety: Safety and the Young Worker* program. The NWT and Nunavut are the only regions that require completion of a workplace safety program as a prerequisite to competing in this event.

Education

Safety Training

In 2005, the WCB continued to provide vital safety certification and re-certification to workers and employers. In total 186 training courses were delivered and 1,589 participants were certified.

2005 Course List:

- Incident and Accident Investigation
- Establishing Occupational Health and Safety Committees
- Principles of Safety Management
- Internal Responsibility and Due Diligence for Safety
- Workplace Hazardous Materials Information System
- Workplace Hazardous Materials Information System – Instructor Level
- General Safety Awareness
- Safety and the Young Worker

The Safety and the Young Worker program was delivered direct to students 16 times in partnership with Yellowknife High Schools.

Workplace Inspections

Prevention Services performed 1,696 workplace inspections in 2005, which is a 25% increase compared to 2004. In Nunavut, 45% of all inspections were related to the Public Administration and Defence Industry. In the NWT, 54% of inspections were related to the Construction Industry. These two industries represent the highest portion of time loss claims for each respective territory and were therefore the primary focus of prevention efforts in 2005.

Mine Rescue Competition

The 39th Annual Territorial Mine Rescue Competition was held in Yellowknife on June 11, 2005. BHP Billiton Diamonds and Diavik Diamonds competed in the event, which demonstrated their abilities in seven separate tasks.

Both teams demonstrated the strong caliber of emergency response in the mining industry. The winners of the individual tasks are as follows:

- BHP Billiton Diamonds Inc. – Obstacle/Extrication, Written Exam, Fire Task, Practical Bench, Surface Smoke, and Rope Rescue
- Diavik Diamond Mines Inc. – First Aid Task

Both mines represented the Northwest Territories/Nunavut in the Western Regional Mine Rescue Competition held in Fernie, B.C., in September 2005. Teams from Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, as well as the northwestern United States competed at the renowned event. All three teams from the territories proved themselves to be capable, trained, and disciplined.

Mining and Exploration

Tahera Diamond Corporation and the De Beers Snap Lake Project were in the final stages of construction to be ready for diamond production in 2006.

Exploration activity in both Nunavut and the Northwest Territories increased slightly during 2005. Much of the activity was focused on searching for diamonds and precious metals, with several programs targeting the ferrous metals and uranium.

There were over 60 camps in operation during the year with over one million work hours reported.

Employer Services

Rate Setting Classification and Merit/Demerit Program

The "Meredith Principles" are the foundation of workers' compensation systems in Canada. These principles describe the trade-off between workers and employers.

- Workers relinquish their right to sue employers, at common law, in return for a no-fault system of compensation, medical treatment, and rehabilitation.
- Employers accept collective liability and totally fund the compensation system in return for protection from legal action.

In keeping with these principles, the Workers' Compensation Board of NWT and Nunavut is funded entirely by employers. Revenue is collected by annual assessments levied on employers in industries with compulsory coverage under the *Workers' Compensation Acts*. Collective liability ensures that injured workers receive adequate compensation without placing undue burden on any particular employer. Industries are grouped according to their risk potential. It is intended that industries with greater risk of injury contribute a greater amount to the system than safer, lower risk industries. Employers in higher risk industries will pay a higher assessment rate per $100 of assessable payroll than employers in lower risk industries. To improve the fairness and responsiveness of the rates employers pay to fund the system, the Governance Council requested a review of the current rate setting model.

In October 2004, the Governance Council approved changes to the rate setting and employer classification system that took effect in January 2006. These changes improve the responsiveness of assessment rates to improving or deteriorating accident experience. The changes also provide greater potential for the WCB to move industries from one rate group to another based on claims experience.

Some of the changes in the new system:

- Only costs of claims occurring in the previous five years will be used in establishing assessment rates for an employer group.
- A maximum annual cost per claim of $33,250 annually (1/2 of the Year's Maximum Insurable Remuneration, or YMIR) will be used in rate setting. This will limit the impact of high-cost claims on assessment rates.
- Fatalities will result in a one-time charge to an employer group of $166,250 (2 times the YMIR), regardless of the actual cost of the claim, to reflect the seriousness of these accidents.
- Every three to five years, the WCB will review claims experience by Standard Industrial Classification (SIC) code to determine if claims experience warrants the transfer of sub-industries from one employer group to another.
- Some elements of the current rate setting system, such as formulas for credibility (the reliability of using short-term claims experience for small groups of employers) and the limit of 25% to increases or decreases in an assessment rate for an employer group in one year, are retained.
- In 2007, the WCB will implement the *Safe Advantage* program, which will provide penalties or refunds to the largest 100 or so employers based on their claims experience. These employers are responsible for over 66 per cent of claims experience in the NWT and Nunavut, and provide over 66 per cent of the assessment revenue.

In implementing the new program and setting its assessment rates for 2006, the Governance Council eliminated the rate subsidy that had been in effect since 2000, while maintaining its average assessment rate of $1.87.

Legislative Review

In response to the recommendations in the Legislative Review Panel's *Act Now* report, the first phase of amendments to the *Workers' Compensation Acts* of Nunavut and the Northwest Territories came into effect January 1, 2004.

The second phase began in September 2004 with a review of all outstanding *Act Now* recommendations not addressed during Phase One. Extensive research, and additional consultation with workers and employers, was completed on a short list of the most complex recommendations due to high financial and/or operational impact. Based on findings, legislative proposals for Phase Two changes to the *Workers' Compensation Acts* were approved by the WCB Governance Council in December 2004, and forwarded to the NWT and Nunavut ministers responsible for the Workers' Compensation Board.

In 2005, the ministers in each territory approved the Legislative Proposal in principle and it is now going through the processes in each jurisdiction whereby legislative amendments are considered, debated and eventually become law. The ministers have committed to coordinating the introduction of the Bills in their respective legislatures. The WCB began working with a professional legislative drafter, as well as with representatives of the Legislation Divisions from both governments in order to begin to conceptualize the new Acts.

Shared WCB

In March 1999, an inter-governmental agreement was signed by the Government of the NWT and the Interim Commissioner of Nunavut, temporarily creating a shared WCB. Both governments agreed to an indefinite expansion in November 2001. This remains the only board in Canada that maintains offices and staff in two different provinces or territories.

Operations continue to be shared between the Northwest Territories and Nunavut, with both regions being effectively served. WCB offices are maintained in Yellowknife, Inuvik, Iqaluit, and Rankin Inlet.

Financial Situation

Employer Assessment Rates

The average provisional assessment rate for 2005 was $1.87 per $100 of assessable payroll, the third lowest assessment rate in Canada. This included a 10 per cent discount on rates to all employers.

Improvements in the board's financial position due to improving investment returns and costs of claims have allowed the board to maintain an average provisional assessment rate of $1.87, although the subsidy has been fully removed as scheduled for 2006. With the improvements in financial position, the board is striving to establish a stable assessment rate.

Funded Position

The WCB assessed at 4,238 employers and was 116 per cent funded at December 31, 2004. The funded position increased to 128% in 2005, mostly due to improving investment results and changes to accounting standards that do not allow "smoothing" of market gains and losses.

With the changes in accounting, the board's financial position is likely to be more volatile in the future. For this reason, a portion of the board's reserve funds have been placed in an "Investment Fluctuation Reserve", which will be used to stabilize the board's financial position and assessment rates in poor market conditions, such as those that were experienced from 2001 through 2003.

Year's Maximum Insurable Remuneration (YMIR)

The Governance Council annually reviews the YMIR to ensure coverage of 70- 80% of workers in the North.

The 2005 YMIR was $66,500, this is the third highest YMIR in Canada. The Governance Council approved an increase of $1,000 to the YMIR for 2006, bringing it to $67,500.

Fraud

In 2005, the investigations coordinators arranged for 71 investigations to be conducted from British Columbia to Newfoundland to the Arctic Circle that led to $1,989,200 in cost avoidance savings for the WCB. The $1,989,200 is an estimate of how much the WCB would have continued to pay out for a period of one year if the fraudulent activity was not detected by the WCB.

3rd Party Litigation

On December 16, 2004, the Supreme Court of the Northwest Territories found a number of defendants jointly and severally liable for the deaths of nine workers at Giant Mine in 1992, and ordered them to pay $11.7 million in damages. On July 26, 2005, the court awarded the Plaintiffs an additional $4 million in costs. A number of defendants have appealed the decision. The appeal is not expected to be heard until 2007.

Claims Volume

In 2005, 3321 potential claims were reported to the WCB. Of those reported 10 were fatalities, 950 were time loss claims, 31 were occupational disease exposures and/or claims, 1826 were claims with no time loss, 250 were denied, and 254 were not established (ie. duplications, abandoned, or filed with the wrong board).

The number of claims in Nunavut was approximately 5% above the established average range. The NWT saw an increase compared to the ten year low set in 2004, but was within the average range in 2005. The average range is set at +/- 5% of the ten year median.

Natural Resource Exploration and Development

Oil & Gas Development

The Mackenzie Gas Project began the process of environmental review in 2003. This review is expected to be completed in 2006. If approval is received, it is expected that construction will commence in 2007.

Exploration activity in the Beaufort Delta remains high. The WCB continues to maintain an office in Inuvik so that a safety officer is readily available for inspections and education on matters of occupational health and safety.

WORKERS' COMPENSATION BOARD
NORTHWEST TERRITORIES & NUNAVUT

FINANCIAL STATEMENTS
DECEMBER 31, 2005

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Workers' Compensation Board and all information in this annual report are the responsibility of the Board's management and have been reviewed and approved by the Governance Council. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include some amounts, such as the benefits liability, that are necessarily based on management's best estimates and judgment. Financial information contained elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized and in accordance with the specified legislation, assets are safeguarded, and proper records are maintained.

The Governance Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Governance Council exercises this responsibility through the Oversight Committee which is composed of Directors who are not employees of the Workers' Compensation Board. The Oversight Committee meets with management and the external auditors on a regular basis. The external auditors have full and free access to the Oversight Committee.

The Auditor General of Canada annually provides an independent, objective audit of the financial statements for the purpose of expressing her opinion on these financial statements. She also considers whether the transactions that come to her notice in the course of this audit are, in all material respects, in accordance with the specified legislation.

Morneau Sobeco, an independent firm of consulting actuaries, has been engaged to perform an actuarial valuation and provide an opinion on the adequacy and appropriateness of the benefits liability of the Workers' Compensation Board.

David Clark,
President and Chief Executive Officer

John Doyle,
Chief Financial Officer

March 17, 2006

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Ministers of the Workers' Compensation Board
of the Northwest Territories and Nunavut

I have audited the balance sheet of the Workers' Compensation Board of the Northwest Territories and Nunavut as at December 31, 2005 and the statements of operations and other comprehensive income, reserves, and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Northwest Territories and Nunavut Financial Administration Acts, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Board and the financial statements are in agreement therewith. In addition, the transactions of the Board that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the Northwest Territories and Nunavut Financial Administration Acts and regulations and the Northwest Territories and Nunavut Workers' Compensation Acts and regulations.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
March 17, 2006

240 rue Sparks Street, Ottawa, Ontario K1A 0G6

WORKERS' COMPENSATION BOARD NORTHWEST TERRITORIES & NUNAVUT
BALANCE SHEET

As at December 31, 2005 (in thousands of dollars)

	2005	2004
	$	$
ASSETS		
Cash and cash equivalents (Note 3)	**8,173**	4,771
Assessments receivable	**3,789**	2,500
Other receivables and prepaid expenses	**1,593**	227
Fixed income investments (Note 4a)	**114,684**	111,353
Equity investments (Note 4b)	**160,091**	146,999
Property, plant and equipment (Note 5)	**6,558**	5,955
	294,888	271,805
LIABILITIES AND RESERVES		
Liabilities		
Accounts payable and accrued liabilities	**1,342**	1,728
Assessments refundable	**357**	278
Benefits liability (Note 6)	**208,366**	208,690
Obligation under capital lease	**-**	1,886
Employee future benefits (Note 7b)	**857**	1,153
	210,922	213,735
Reserves (Note 8)		
Operating Reserve	**13,252**	12,342
Investment Fluctuation Reserve	**22,286**	11,600
Rate Stability Reserve	**28,000**	14,000
Safety Reserve	**178**	178
Catastrophe Reserve	**20,250**	19,950
	83,966	58,070
	294,888	271,805

Commitments (Note 9)

Contingencies (Note 10)

The accompanying notes form an integral part of these financial statements

Approved by the Governance Council:

Denny Rodgers
Chairperson, Governance Council

WORKERS' COMPENSATION BOARD NORTHWEST TERRITORIES & NUNAVUT
STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2005 (in thousands of dollars)

	2005	2004
	$	$
REVENUE		
Assessments	**34,129**	28,519
Investments		
Interest and dividends	**11,581**	9,223
Investment gains (Note 4c)	**16,986**	14,499
Investment fees	**(1,026)**	(1,057)
	61,670	51,184
EXPENSES		
Claims costs		
Claims costs, current year (Note 6)	**25,729**	21,575
Claims costs, prior years (Note 6)	**(3,098)**	536
Recoveries for hunters and trappers (Note 12)	**(904)**	(718)
Third party legal claim recoveries	**(1,628)**	(225)
	20,099	21,168
Administration and general expenses (Note 11)	**15,675**	15,917
	35,774	37,085
NET INCOME FROM OPERATIONS	**25,896**	14,099
Other comprehensive income	**-**	-
NET INCOME FROM OPERATIONS AND OTHER COMPREHENSIVE INCOME	**25,896**	14,099

The accompanying notes form an integral part of these financial statements

WORKERS' COMPENSATION BOARD NORTHWEST TERRITORIES & NUNAVUT
STATEMENT OF RESERVES

For the year ended December 31, 2005 (in thousands of dollars)

	2005	2004
	$	$
Operating Reserve		
Balance, beginning of year	**12,342**	6,843
Net income from operations and other comprehensive income	**25,896**	14,099
Transfer to Rate Stability Reserve	**(14,000)**	3,000
Transfer to Investment Fluctuation Reserve	**(13,586)**	(11,600)
Transfer from Investment Fluctuation Reserve	**2,900**	-
Transfer to Catastrophe Reserve	**(300)**	-
Balance, end of year	**13,252**	12,342
Investment Fluctuation Reserve		
Balance, beginning of year	**11,600**	-
Transfer from Operating Reserve	**13,586**	11,600
Transfer to Operating Reserve	**(2,900)**	-
Balance, end of year	**22,286**	11,600
Rate Stability Reserve		
Balance, beginning of year	**14,000**	17,000
Transfer from Operating Reserve	**14,000**	(3,000)
Balance, end of year	**28,000**	14,000
Safety Reserve		
Balance, beginning of year	**178**	178
Transfers during the year	**-**	-
Balance, end of year	**178**	178
Catastrophe Reserve		
Balance, beginning of year	**19,950**	19,950
Transfer from Operating Reserve	**300**	-
Balance, end of year	**20,250**	19,950

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOW

For the year ended December 31, 2005 (in thousands of dollars)

	2005	2004
	$	$
Operating Activities		
Cash received from:		
Assessments from employers	**32,919**	27,316
Interest	**144**	114
Cash paid to:		
Payments to claimants or third parties on their behalf	**(21,825)**	(23,338)
Purchases of goods and services	**(16,137)**	(15,279)
Cash used in operating activities	**(4,899)**	(11,187)
Financing Activities		
Capital lease principal payments	**(1,886)**	(274)
Investing Activities		
Transfer from investment manager's accounts	**12,000**	12,000
Purchase of capital assets	**(1,813)**	(2,195)
Cash provided by investing activities	**10,187**	9,805
Increase (decrease) in cash and cash equivalents	**3,402**	(1,656)
Cash and cash equivalents, beginning of year	**4,771**	6,427
Cash and cash equivalents, end of year (Note 3)	**8,173**	4,771

The accompanying notes form an integral part of these financial statements.

1. Authority, mandate and shared operations

The Workers' Compensation Board (the board) operates under the authority of the Northwest Territories and Nunavut *Workers' Compensation Acts*. In addition, the Board is also responsible for the administration of the Northwest Territories and Nunavut Safety Acts, Mine Health and Safety Acts, and the Explosives Use Acts. The Board is exempt from income tax and the goods and services tax.

The mandate of the Board is to provide benefits to injured workers and to levy assessments against employers to cover the current and future costs of existing claims. The Board is also responsible for developing safety awareness programs and for monitoring safety practices in the workplace.

The Government of the Northwest Territories and the Government of Nunavut have signed an Inter-Governmental Agreement for a shared Workers' Compensation Board to allow the Board to remain as a single entity serving both territories. Cancellation of this agreement by either party requires one full fiscal year's notice.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies:

a) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates. The more significant management estimates relate to the determination of the benefits liability and assessments receivable.

b) Cash and cash equivalents

Cash and cash equivalents are cash and money market instruments with initial maturities up to three months, less any bank overdraft. Cash and short-term investments held by the investment managers for investment purposes are excluded from cash and cash equivalents reported on the balance sheet.

c) Assessments

At the beginning of each year, the Board levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by installments during the year. At year end, an estimate of the amount of adjustments to assessments based on the expected difference between estimated payroll and actual payroll is recognized as assessment revenue and recorded as a receivable.

An allowance for doubtful accounts is recorded for assessments receivable based on management's best judgment. The Governance Council must approve all assessments receivable write-offs.

d) Investments

Canadian generally accepted accounting principles require financial assets to be designated as held for trading, held-to-maturity or available-for-sale. Held for trading generally refers to financial assets that are acquired with the objective of generating a profit in the near term. However, a financial asset may be designated as held for trading even if an entity does not intend to sell or repurchase it in the near term. Once an entity designates a financial asset as held for trading, the designation is irrevocable.

The Board has chosen to designate all of its investments as held for trading. Consequently, investments are recorded at fair value. The fair value for publicly traded investments is based on quoted market prices. The fair value of privately held investments is determined using a yield to maturity method. When classifying investments as held for trading, realized and unrealized gains or losses, arising from a change in the fair value of the investments during the year, are recognized in income in the period in which the change occurred.

Interest and dividends are recognized in income in the period earned. Purchases and sales of investments are recognized on the trade date.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Interest, dividends and realized gains and losses are translated at the exchange rates in effect on the transaction date. Exchange gains and losses resulting from the translation of foreign currency balances at year-end and transactions during the year are recorded in investment gains.

e) Benefits liability

The benefits liability represents the present value of future payments in respect of medical aid benefits, compensation payments, and pensions in respect of claims arising from accidents occurring prior to the end of the fiscal year. The benefits liability also includes an allowance for future claims management costs.

Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates and mortality rates. The benefits liability is determined annually by an actuarial valuation. The independent actuary's opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

The benefits liability includes provision for all benefits provided by current legislation, policies and administrative practices.

f) Administration and general expenses

A portion of administration and general expenses is allocated as claims management costs to the current year's claims and the prior years' claims. The amount allocated to claims is based on actuarially determined rates.

g) Employee future benefits

Pension benefits

Employees participate in the Public Service Pension Plan (the Plan) administered by the Government of Canada. The Board's contributions to the Plan are based on a percentage of employees' contributions. The percentage may change from year to year depending on the experience of the Plan. The Board's contributions are charged to operations on a current basis as employees render services and represent the total pension obligations. The Board is not required to make contributions with respect to actuarial deficiencies of the Plan.

Other benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement and removal out cost based on years of service and final salary. The cost of these non-pension benefits is determined based on management's best estimates and accrue as a liability as employees render services.

h) Property, plant and equipment

Property, plant and equipment is recorded at cost and amortized over its estimated useful lives under the straight-line method as follows:

Building	25 years
Furnishings	10 years
Equipment, including application software	5 years
Leasehold improvements and office space (leased)	over the term of the lease
Computer software, customized	8 years

3. Cash and cash equivalents

The Board invests in the short-term money market. The yield of this portfolio is 3.23% at December 31, 2005 (2004 - 2.65%). All instruments held in cash and cash equivalents are readily convertible to cash and are held in high quality debt obligations issued or guaranteed by Canadian, Provincial, or Territorial governments, Canadian chartered banks, or loan or trust companies registered in Canada.

	2005	2004
	$	$
Cash	**547**	23
Short-term investments	**7,711**	5,400
	8,258	5,423
Less: bank overdraft	**(85)**	(652)
	8,173	4,771

4. Investments

The Board's investment portfolio is comprised of fixed income and equity investments. The Board's investment objective is to achieve a long-term rate of return that is sufficient to fund the Board's benefits liability, cover its operating costs, and provide for reasonable and stable assessment rates for employers.

The Governance Council is responsible for reviewing and approving the Board's investment policy and plan. The investment policy and plan outlines the types and classes of investments the Board may invest in and how the Board plans to achieve its investment objective and manage its investment risk. The investments are managed by external investment managers with different investment management styles to reduce the Board's investment risk. Generally speaking, investments are held until market conditions provide a better investment opportunity. The Board regularly reviews the performance of its investment portfolio against established industry benchmarks.

a) **Fixed income**

The fair value and cost of the fixed income investments are as follows:

	2005		2004	
	Fair Value	**Cost**	Fair Value	Cost
	$	**$**	$	$
Indexed bond funds	**72,432**	**70,905**	71,981	69,015
Other fixed income investments	**42,252**	**39,770**	39,372	37,097
	114,684	**110,675**	111,353	106,112

Included in the above amounts are investments in privately held related party bonds, as disclosed in Note 12. The amount taken into net assets as a result of the estimation of fair value of the privately held investments is $971 (2004 - $803) and the amount taken into net income in 2005 is $81 (2004 - $17).

The cumulative unrealized gains on fixed income investments at the end of the year are:

	2005	2004
	$	$
Fixed income – cost	**110,675**	106,112
Cumulative unrealized gains	**4,009**	5,241
Fixed income – fair value	**114,684**	111,353

The remaining term to maturity of the other fixed income investments is as follows:

	Within 1 Year	1 to 2 Years	2 to 5 years	5 to 10 years	Over 10 years	**Fair Value 2005**
	$	$	$	$	$	**$**
Cash, short term investments and net payable in investment manager accounts	3,080	-	-	-	-	**3,080**
Government bonds	-	2,472	9,652	9,230	5,839	**27,193**
Corporate bonds	-	417	1,084	1,101	8,869	**11,471**
Mortgage backed bonds	-	-	-	-	508	**508**
	3,080	2,889	10,736	10,331	15,216	**42,252**

b) Equity

The fair value and cost of the equity investments are as follows:

	2005		2004	
	Fair Value	**Cost**	Fair Value	Cost
	$	**$**	$	$
Canadian equities	**81,286**	**44,620**	71,936	44,538
U.S. equities	**33,879**	**36,444**	33,744	36,218
International equities	**44,926**	**42,283**	41,319	41,315
	160,091	**123,347**	146,999	122,071

The cumulative unrealized gains and losses on the equity investments at the end of the year are as follows:

	2005	2004
	$	$
Equity investments – cost	**123,347**	122,071
Cumulative unrealized gains	**39,315**	32,703
Cumulative unrealized losses	**(2,571)**	(7,775)
Equity investments – fair value	**160,091**	146,999

c) Investment gains

The investment gains recorded in income can be broken down as follows:

	2005	2004
	$	$
Realized gains on investments	**6,411**	3,970
Change in unrealized gains on investments during the period	**10,575**	10,529
	16,986	14,499

d) Investment performance

Investments are managed by seven independent investment managers. The market yield of the portfolio is as follows:

	2005	2004
Fixed income investments	**6.84%**	7.38%
Canadian equities	**24.79%**	19.35%
U.S. equities	**0.16%**	0.74%
International equities	**8.68%**	8.57%
Cash and cash equivalents	**2.05%**	2.65%

e) Credit risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed income investment will fail to meet its obligations. In order to manage this risk, the Board's policy is that short term investments must have a minimum credit rating of A-1 by Moody's rating agency or its equivalent. Fixed income investments of a longer term must have a minimum credit rating of B++ by the Canadian Bond Rating Service. These ratings are performed by an independent rating service.

f) Market risk

The Board invests in publicly traded fixed income and equity investments available on domestic and foreign exchanges and in privately held investments. These investments are affected by market changes and fluctuations. Market risk is managed through diversification between different asset classes, geographic diversification and investment management styles and by limiting the concentration in any single entity to 5% or less of the fair value of the investment fund. The exceptions to the 5% or less concentration rule are investments of $72,432 in an indexed bond fund and $44,926 in an international equity fund. Both of these funds are highly diversified.

The Board's investment target and actual asset mix at December 31 is as follows:

	Fair Value		Actual	
	Maximum	Minimum	**2005**	2004
Fixed income investments	50%	30%	**41.74%**	43.10%
Canadian equities	30%	20%	**29.58%**	27.84%
U.S. equities	20%	10%	**12.33%**	13.07%
International equities	20%	10%	**16.35%**	15.99%

g) Interest rate risk

Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes. Interest rate risk is minimized by actively managing the duration of the fixed income investments as detailed in note 4a).

h) Foreign exchange risk

The Board has investments denominated in foreign currencies, which are exposed to currency risk. To mitigate this risk, investment managers are authorized to enter into forward foreign exchange contracts, which represent commitments to exchange two currencies at a specified future date based on a rate agreed to by both parties at the inception of the contract, for the sole purpose of hedging foreign currency transactions. There were no forward exchange contracts outstanding at December 31, 2005 (2004 - nil).

The total amount of investments, at fair value, exposed to foreign currency risk is as follows:

Foreign country currency	Fixed Income $	Equity $	**Total Investments Fair Value 2005 $**
U.S.	-	33,965	**33,965**
Europe	-	15,132	**15,132**
United Kingdom	-	10,306	**10,306**
Japan	-	9,589	**9,589**
Switzerland	-	4,929	**4,929**
Hong Kong	-	1,703	**1,703**
South Korea	-	493	**493**
Brazil	-	717	**717**
Australia	-	493	**493**
Mexico	-	269	**269**
Subtotal	-	77,596	**77,596**
Canada	114,684	82,495	**197,179**
	114,684	160,091	**274,775**

Included in assets designated as international equity investments are $86 in U.S. dollar assets and $1,209 in Canadian assets.

5. Property, plant and equipment

	Cost $	2005 Accumulated Amortization $	**Net Book Value $**	2004 Net Book Value $
Building	3,032	30	**3,002**	-
Assets under capital lease	-	-	**-**	1,112
Leasehold improvements	267	81	**186**	1,446
Equipment	3,254	2,387	**867**	1,080
Computer software, customized	3,015	744	**2,271**	2,053
Furnishings	574	342	**232**	264
	10,142	3,584	**6,558**	5,955

The Board acquired the building by exercising a bargain purchase option. The building was previously recorded as an asset under capital lease. The cost of the building includes the bargain purchase option price and the net book value of the asset under capital lease when the bargain purchase option was exercised.

6. Benefits liability

	Medical Aid	Compensation	Future Capitalizations	Pension Awards	**Total 2005**	**Total 2004**
	$	$	$	$	**$**	$
Balance, beginning of year	25,914	19,256	34,688	128,832	**208,690**	210,142
Add: Claims costs						
Current year	5,663	6,664	10,648	2,754	**25,729**	**21,575**
Prior years	399	(1,135)	(8,111)	5,749	**(3,098)**	**536**
Liability transfer, capitalizations	-	-	(5,088)	5,088	**-**	**-**
	6,062	5,529	(2,551)	13,591	**22,631**	22,111
Less: Claims payments						
Current year injuries						
Claims payments	1,134	1,646	-	103	**2,883**	2,693
Claims management	397	576	-	9	**982**	943
Prior years' injuries						
Claims payments	3,084	2,311	-	10,832	**16,227**	16,742
Claims management	1,079	809	-	975	**2,863**	3,185
	5,694	5,342	-	11,919	**22,955**	23,563
Balance, end of year	26,282	19,443	32,137	130,504	**208,366**	208,690

The following is an actuarial reconciliation of the changes in the benefits liability:

	2005	2004
	$	$
Balance, beginning of year	**208,690**	210,142
Add:		
Provision for current year's claims	**21,864**	17,978
Interest allocated	**14,072**	11,988
	35,936	29,966
Deduct:		
Payments for prior years' claims	**(19,090)**	(19,928)
Experience gain	**(17,170)**	(11,490)
	(36,260)	(31,418)
Balance, end of year	**208,366**	208,690

The principal source for the experience gain is lower than expected compensation and pension payments for prior years' claims. Expectations of costs of awarded pensions and the ongoing cost of compensation and medical aid payments are based on the experience of prior years. The actual payments and awards of pensions in 2005 have been less than these expectations. In particular with regards to the expected number of pensions awarded. As well, the WCB uses an assumption of 3.5% inflation for long term pensions, and the experience in 2005 was 2.09%.

Major actuarial assumptions

The claims liability is composed of two parts:

Future claims liability

This liability represents the present value of the expected future claim payments on claims arising from accidents which occurred on or prior to the valuation date for hospital and medical services ("Medical Aid"), short-term income benefits ("Compensation"), pension benefits for future capitalizations ("Future Capitalizations") and related administrative expenses. "Future Capitalizations" represents that portion of the future claims liability that is an estimate of the liability for expected pension benefit awards that relates to injuries that have already occurred.

A provision for expected future claims costs for Hunters & Trappers have been included in the Future Claims Liability in accordance with the Memorandum of Understanding on Renewable Resources Harvesters (May 1994).

The liabilities for the medical aid and compensation benefits were developed using the loss development method. This method is also commonly known as the "claims run-off" approach. The liability for future capitalizations was developed using a modified version of the loss development market.

Approved pension liability

This liability represents the present value of the expected future pension payments plus related expenses for approved pension awards as at the valuation date.

The following economic assumptions are used in the valuation of the Future Claims Liability: discount rate 7.125%, inflation – i) future capitalizations: 2.08% in 2006 and 3.5% per annum thereafter ii) compensation and medical aid: 3.5% per annum.

The following economic assumptions are used in the valuation of the approved pension liability: discount rate 7.125%, inflation 2.08% in 2006 and 3.5% thereafter.

7. Employee future benefits

a) Pension plan

The Board and all eligible employees contribute to the Public Service Pension Plan (PSPP). This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. Contributions to the Public Service Pension Plan were as follows:

	2005	2004
	$	$
Board's contributions	**1,301**	1,184
Employees' contributions	**535**	510

b) Other benefits

The Board provides other benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Liability for resignation, retirement severance and removal out benefits is as follows:

	2005	2004
	$	$
Accrued benefit obligation, beginning of year	**1,153**	890
Cost for the year	**48**	534
Benefits paid during the year	**(344)**	(271)
Accrued benefit obligation, end of year	**857**	1,153

8. Funding policy and reserves

The funding policy of the Board is to maintain the benefits liability at a fully funded level at each year-end. The percentage funded is calculated as the ratio of total assets divided by the sum of total liabilities plus the catastrophe reserve. Fully funded status is maintained when this ratio is equal to, or greater than, one. The Board is fully funded at year end to meet its obligations and maintain an appropriate catastrophe reserve.

Reserves are the portion of the Board's net assets which are in excess of the amount required to fund the Board's liabilities. These reserves are established for specific purposes and have prescribed levels.

a) Operating reserve

The operating reserve was established in accordance with the Workers' Compensation Acts and is intended to protect the Board against adverse fluctuations in claims costs and investment results. The target level for the operating reserve is established after the target level for the catastrophe reserve has been determined. Assessment rates are adjusted to bring the operating reserve to its target level over a period of between two years and ten years, depending on the margin by which the operating reserve is above or below the target level. The range of tolerance for the operating reserve is plus or minus 50% of the target level. The target range at year end was $4,920 to $14,759 (2004 - $4,480 to $13,442)

b) Investment fluctuation reserve

The purpose of the investment fluctuation reserve is to recognize the annual gains and losses on investments on an even basis in the operating reserve over a period of five years.

c) Rate stability reserve

The rate stability reserve was established to fund the provision of a rate discount to employers on their assessments. The target level for the rate stability reserve is determined after the target levels for the catastrophe reserve and operating reserve have been established. The funding policy of the Board provides for discounts on assessment rates when the operating reserve exceeds its target range. During the year, a discount of 10% was applied to assessment rates (2004 - 20%).

d) Safety reserve

The safety reserve was established to fund safety programs and will be used to implement the Board's safety strategy.

e) Catastrophe reserve

The catastrophe reserve is intended to protect the Board against a catastrophic event that results in a substantial increase in the Board's benefits liability. The Board has established specific criteria for determining whether an accident or event meets the definition of a catastrophic claim. The target level for the catastrophe reserve has been set at 300 times the Year's Maximum Insurable Remuneration (YMIR). The target level for the catastrophe reserve provides for the cost of a disaster.

9. Commitments

Future minimum lease payments on operating leases for office premises, staff accommodations and equipment over the next five years, and in aggregate, are as follows:

	2005
	$
2006	**1,372**
2007	**1,138**
2008	**881**
2009	**589**
2010	**616**
Thereafter	**319**
	4,915

10. Contingencies

The Supreme Court of the Northwest Territories awarded the Board $11,825 plus costs of $4,334, including pre-judgment interest, for the Giant Mine litigation. As at December 31, 2005, post-judgment interest is $706. Of the eight defendants to the action, five have appealed the decision. Subsequent to the year-end, one of the defendants not appealing the action, Royal Oak Mines, agreed to pay $1,400. The full amount of the recovery and the amounts to be distributed to the claimant plaintiffs are contingent upon outcome of the appeal. The Workers' Compensation Acts and Board policy require that, once legal costs are recovered, the lesser of 25% of the amount of the judgment and the net amount remaining is to be paid to the claimant plaintiffs. Until the outcome is known, the full amount of potential gain cannot be determined or estimated, nor can the allocation of recoveries to legal costs and the claimant plaintiffs.

There are a number of other legal claims outstanding for recovery of claims expenses from third parties. Recovery of these potential gains cannot reasonably be determined or estimated, therefore, no amount is recorded in the financial statements. Third party legal claims settled and recovered during the year, including the Royal Oak Mines receivable above, result in claims recoveries of $1,628 (2004 - $225).

The Board has reviewed an appeal made with regard to an overpayment of assessments by an employer. The Board estimates that it will not owe any amount related to this appeal. While this liability is not recorded in the financial statements, due to its uncertain nature, the amount of potential loss has been estimated at a maximum of $978.

In December 2005, the Supreme Court of the Northwest Territories directed the Appeals Tribunal to re-hear an appeal of the Board's denial of a permanent disability award for chronic pain syndrome to a claimant. The impact on the Board is not determinable nor can the Board estimate the potential loss as the Appeal Tribunal is still to re-hear the claimant's appeal.

11. Administration and general expenses

	2005	2004
	$	$
Salaries, wages and allowances	**11,187**	11,090
Professional services	**2,772**	3,867
Office lease and renovations (non-capital)	**1,619**	1,435
Amortization	**1,210**	1,028
Travel	**959**	887
Communications	**409**	423
Advertising and public information	**326**	334
Training and development	**319**	288
Office furnishings and equipment (non-capital)	**302**	306
Office services and supplies	**257**	332
Honoraria and retainers	**170**	162
Investigative costs	**139**	153
Interest expense on capital lease obligation	**108**	163
Grants	**73**	83
Recoveries, rent and other	**(330)**	(506)
	19,520	20,045
Less: Allocation to claims management costs	**(3,845)**	(4,128)
	15,675	15,917

12. Related party transactions

The Board is related to all departments and territorial public agencies and boards of the Governments of the Northwest Territories and Nunavut. The Board enters into transactions with these entities in the normal course of business. The following tables summarize the Board's:

Balances due from related parties:

	2005	2004
	$	$
Government of Nunavut	**799**	562
Government of the Northwest Territories	**143**	157
Territorial public agencies	**19**	40
	961	759

Through memoranda of understanding with the Governments of the Northwest Territories and Nunavut, the Board charges the governments for the costs of administering benefits relating to hunters and trappers claims. These costs include the increase or decrease in the future benefits liability related to hunters and trappers claims; therefore, a significant decrease in the future benefits liability can result in a refund by the Board to either government. Due from related includes reimbursements from the Governments of the Northwest Territories and Nunavut for hunters and trappers claims for the year in the amount of $105 (2004 - $157), and $799 (2004 - $561), respectively.

Balances payable to related parties:

	2005	2004
	$	$
Northwest Territories public health boards	**79**	67
Government of the Northwest Territories	**31**	-
	110	67

Assessments revenue, at rates determined using the same method as with others, from related parties:

	2005	2004
	$	$
Government of the Northwest Territories	**1,692**	1,595
Government of Nunavut	**1,560**	1,443
Territorial public agencies	**211**	411
	3,463	3,449

Expenses to related parties:

	2005	2004
	$	$
Northwest Territories public health boards	**762**	858
Government of Nunavut	**161**	386
	923	1,244

Investments in bonds of related parties (at fair value):

	2005	2004
	$	$
Northwest Territories Power Corporation		
11.00% maturing March 9, 2009	**584**	614
11.125% maturing June 6, 2011	**1,265**	1,304
6.42% maturing December 18, 2032	**2,094**	2,077
5.95% maturing December 15, 2034	**1,182**	1,019
	5,125	5,014
Northwest Territories Legislative Assembly Building Society		
13.00% Series A, maturing August 31, 2013	**413**	443
	5,538	5,457

The Board does not record the value of other services provided without charge by the Governments of the Northwest Territories and Nunavut in these financial statements. The services provided are not significant but include areas where the Board follows government administrative policies and employment contracts. These services include training services, records management, and human resources support.

13. Fair value of other financial instruments

Cash and cash equivalents, accounts payable and accrued liabilities, and other amounts receivable and refundable are valued at their carrying values on the balance sheet, which are reasonable estimates of fair value due to the relatively short period to maturity of the financial instruments.

14. Comparative Information

Certain comparative figures have been reclassified to conform to the current year's presentation.

Section IV - Actuarial Certification

With respect to the Workers' Compensation Board of the Northwest Territories and Nunavut, we state that in our opinion:

1. The total actuarial liability as at December 31, 2005 for benefit payments of all types expected to be made after December 31, 2005 in respect of accidents of 2005 and prior years amounts to $208,365,785. This liability includes the Hunters & Trappers group and future administrative expenses for all benefits. It does not include any self-insured employers. A provision for future claims arising from latent occupational diseases was not included in this valuation.

2. The data on which the valuation is based were provided by the Board in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficiently reliable to permit a realistic valuation of the liabilities of the Board as described above.

3. The actuarial assumptions adopted in computing the foregoing liabilities are adequate and appropriate, and the methods employed are in accordance with accepted actuarial practice. The economic assumptions adopted for purposes of computing the above-noted liabilities are consistent with the funding and investment policies of the Board.

4. The valuation report has been prepared and my opinion has been given in accordance with accepted actuarial practice.

H L Slaney

Howard Slaney, F.S.A., F.C.I.A.
Principal, Morneau Sobeco

Thane MacKay, A.S.A
Actuarial Consultant, Morneau Sobeco

Date

This report has been peer reviewed by Conrad Ferguson, F.S.A., F.C.I.A.

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MORNEAU SOBECO

Northwest Territories
Toll-free: 1-800-661-0792

Nunavut
Toll-free: 1-877-404-4407

www.wcb.nt.ca
www.wcbnunavut.ca

WORKERS' COMPENSATION BOARD
Northwest Territories and Nunavut